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# GAIN Report

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## Philippines

### Grain and Feed

### Rice Seed Subsidy Extended

**2007**

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**Report Highlights:**

The Philippine Department of Agriculture (DA), in its quest for rice self-sufficiency, will be extending seed subsidy to farmers planting hybrid rice and certified seeds contrary to an earlier decision to eliminate its hybrid rice seed subsidy made under the previous DA leadership.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Manila [RP1]  
[RP]

Department of Agriculture (DA) Secretary Arthur C. Yap recently announced that, contrary to the decision made under the previous DA leadership to remove the rice seed subsidy (refer to GAIN 6062), the DA is extending its rice seed subsidy in support of the GRP's pursuit for rice self-sufficiency.

The scope of the seed subsidy will cover both hybrid rice and certified rice seeds. Subsidy for hybrid rice seeds will be limited to rice farmers situated in a national or communal irrigation system. Average yields are expected to increase from 3-5 MT per hectare to 6 MT per hectare in these areas. Subsidy on certified rice seed, on the other hand, will be extended to rice farmers in rain-fed lowlands where yields can increase from an average rice yield of 3.5 MT per hectare to 4.5 MT per hectare.

The DA reportedly has allocated a total of P664 million (\$13.9 million) for the rice seed subsidy consisting of P400 million (\$8.4 million) for hybrid rice seeds and P264 million (\$5.5 million) for certified seeds this year. The hybrid rice subsidy will cover a targeted area of 400,000 hectares or a P1,000 (\$20.9) subsidy per hectare, while a P440 (\$9.2) subsidy per hectare will be extended over 600,000 hectares of certified rice.